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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Administration

NO. 24

AMA "WAR BOARD" LETTER Wash. D.C., July 11, 1942

DESIGN FOR PATRIOTISM: New York City grocery stores participating in AMA food stamp program are redeeming food stamps in war bonds. Through program worked out by Food Industries Committee of Greater New York, in cooperation with AMA and Treasury, some 27,000 grocers in metropolitan area have set a goal of \$500,000 monthly for war bond purchases with food stamps. First mail after initiation of program brought in purchases of \$1,000 in bonds. Treasury Department is enthusiastic about program, pointing out that many small food merchants in New York who maintain no bank account and have had no systematic way of purchasing war bonds expressed the desire to convert a portion of their food stamp receipts into war bonds. The Food Industries committee agreed to service the food stamp-war bond program and officials of AMA and Treasury assisted in working out a practical plan. A food stamp card holding \$18.85 (really a \$10 card and a \$8.75 card) is used. When filled the cards are sent to the Food Industries Committee, which cashes them in and remits to the Federal Reserve Bank with the dealers bond application card properly filled out. The Federal Reserve bank delivers the bond to the food merchant by registered mail. After program has been thoroughly tried in New York it probably will be recommended to other areas. Treasury feels it will be means of obtaining bond purchases from individuals who otherwise might not be reached.

DEHYDRATION: So far 20 plants have been approved for expansion or conversion under the AMA program to increase production of dehydrated vegetables. Altogether about 100 applications to participate in program have been received and it is expected that at least another score of applications will be approved. Food Requirements Committee dropped goal for dehydrated vegetable production from 100,000,000 pounds annually to 91,000,000 pounds. Officials in charge of expansion program optimistic they will get production close to new goal but not this year. Officials point out that plans are not completed for installation of dehydrators in the 20 approved plants - i.e. what type and what size - therefore it is not possible to estimate their proposed capacity. For policy reasons, names of approved plants have not yet been announced.

DEHYDRATED MEAT: Offers to furnish dehydrated meat for AMA purchases are due in today (July 11). Several offers are expected from processors prepared to produce a product meeting purchase requirements.

LABOR: Farmers who board seasonal labor will be granted an extra sugar allowance of $\frac{1}{2}$ lb per week per boarder, OPA has announced. Farmers seeking the extra sugar must file with their local ration office on OPA Form R-315 and must state that the ration books of the laborers involved have either been surrendered to the farmer or else the laborers have none. Threshers, cornhuskers, silo fillers and other workers boarded during harvesting season area covered by the regulation.

WPB has given the mobile labor camp program of FSA an A-2 preference rating. Due to lateness, this preference rating may not mean much to development of program. Expected to be helpful in connection with construction of some of more recently initiated camps, especially those in New York and Connecticut.

BEAN PURCHASE PROGRAM on 1941 production will close August 31 in order to clear way for new price support plan for 1942 crop, beginning Sept. 1. In view of supply situation at the approach of marketing the new crop, marketing officials here feel that the industry should take advantage of the present opportunity to move large quantities of the eight commercial classes of dry beans now being purchased.

Initiated May, 1941 on offer and acceptance basis, the current dry bean purchase program was originally scheduled to close May 1, this year. It was extended for an indefinite period because of the order restricting use of tin for canning dry beans and because unusually large quantities of the beans in some producing areas contained excessive moisture. Since mid-April, AMA has been taking 8 commercial classes of dry beans - pea and medium white, great northern, California small white, pink, pinto, light red kidney, dark red kidney and western red kidney. Although

offers have been relatively light in recent weeks, more than 6,500,000 bags, cleaned basis, 100 lbs weight, were reported in hands of growers and warehouses in producing areas on June 1. This is roughly twice normal stocks for early June. As announced in mid-January, prior to the 1942 planting season, price support on the 1942 crop will cover only 5 classes of beans: pea and medium white, great northern, California small white, pink and pinto. It was pointed out then that "in no way is the department to be considered as obligating itself to support prices for other types of dry edible beans."

PORK: Announcement today that purchases of cured and smoked regular and skinned hams, cured and smoked bacon and dry salt American cut bellies will be discontinued temporarily. REASON: AMA purchases of pork through April, May and June were of sufficient volume to cover shipping requirements during the weeks immediately ahead, when hog slaughter will decline seasonally. Move will provide greater quantities of these meats for domestic consumption in summer months when there is a strong demand for cured pork. In June, purchases of these products accounted for about 12 percent of all pork meat bought by AMA. Lend-Lease purchases of frozen pork loins, trimmings, cured Wiltshires, barreled pork, lard, canned meat, fat back, jowls, plates, edible tallow, lard oil, and hog casings will continue in usual volume.

FARM CONSTRUCTION: To meet urgent need WPB has given state WB's authority to give green light to applications for construction of grain storage space and silos. State WB's may give "go ahead" pending official approval of such construction by WPB.

Instructions for County WB's to use in passing upon applications for construction that include plumbing, heating, water supply, electrical and similar equipment are expected to be sent out soon. Many applications now being received by OAWR include such equipment. Because of limited supplies of metals, volume of such construction must be reduced.

GRAIN STORAGE situation is more pessimistic according to recent survey by Farm Credit Administration of requirements based on June 1 crop estimates. Crop report indicated that between May 1 and June 1 prospective grain crops requiring storage increased by approximately 160,000,000 bushels. Significance of this is that grain storage problem will be even more serious than anticipated earlier when it was believed that 400,000,000 bushels of grain storage would be sufficient to handle this year's crops. July Crop Report issued yesterday indicates even better grain production prospects.

USDA WAR BOARD FIELDMEN were in here for conference July 6-11. They were given a complete picture of all activities of every Bureau of the Department and will take this information back to their areas to answer many questions arising before the War Boards.

BLOCK LEADER PROGRAM, (See WB Letter No. 20) will be extended to Bridgeport, Conn., Tampa, Fla., Berkeley, Calif., according to present plans. Other cities probably come along later.

NOTE: Administrator Hendrickson spoke on "Dairy Requirements for Lend-Lease Shipments" before USDA War Boards at Chicago on July 9. Copies of speech, which clarified AMA dairy products purchase policy, etc., are being sent you under separate cover. Pointing out that government-owned cheese stocks in primary market centers are being moved to warehouses in other states or to shipside, Administrator Hendrickson said that "warehouses handling AMA stocks and crowded for space should notify us in order that steps can be taken to release additional space at critical points. We do not want cheese to back up on plants or milk on farms."

Attached is a list of local offices of the Office of Defense Transportation. Transportation problems can be handled by WB's with these local representatives.

